



Irish Life Weekly Investment Bulletin

The week that was – WEEK 38 (ending 22/09/2017)

“A champion is someone who gets up when he can't.” – Jack Dempsey

Irish employment increased by 2.4% in last year – According to the Quarterly National Household Survey produced by the Central Statistics Office, employment was up 2.4% in the year to Q2 2017 and unemployment was down 24.7% in the year to Q2 2017 with unemployment rate falling from 6.8% to 6.2% over the quarter.

Fed keeps rates on hold but hints at December rise – The US Federal Reserve Open Market Committee announced that it would leave its benchmark interest rates unchanged but suggested that a hike is likely by the end of the year. Officials projected there would likely be three rate increases in 2018 and two in 2019.

Global stock market up 0.5% on the week – The MSCI AC World TR Index showed a 0.50% rise from the 15th September to 22nd September, as the U.S. Federal Reserve and Bank of Japan held interest rates steady. The Chicago Board Options Exchange Volatility Index or VIX reduced to 9.59 from 10.17.

OECD forecasts global growth to hit 6-year high – The Organization for Economic Cooperation and Development projected that global economic growth will rise this year to its highest point since 2011 with 2017 growth of 3.5% and a 3.7% rise in 2018. However inflation remains subdued and structural reform is needed.

S&P cuts its credit rating for China – Standard & Poor's downgraded China's sovereign credit rating to A+ from AA-, citing concern over rising debt levels but did change its outlook on the world's second-largest economy to stable from negative. Fitch had already lowered China's rating in 2013 and Moody's did so in May.

Japan's exports jump at fastest rate in nearly 4 years – The Finance Ministry reported that exports in August rose 18.1% from a year earlier, the largest increase since November 2013 as imports were up 15.2%. The trade surplus was 113.6 billion yen. Exports to the U.S. increased 21.8% and to the EU climbed 13.7%.

The Story of the week: Language experts at the University of York have compiled a list of lost words that have fallen out of the English language and have examined historic texts and dictionaries to compile the list of 30 words that we might find useful today. Some of the 30 include: *Rouzy-bouzy* - Boisterously drunk; *Hugger-mugger* – Concealment or secrecy; *Man-millinery* - Suggestive of male vanity or pomposity; *Ear-rent* - The figurative cost to a person of listening to trivial or incessant talk; *Sillytonian* - A silly or gullible person; *Teen* - To vex, irritate, annoy, anger, enrage, to inflict suffering upon; *Quacksalver* - A person who dishonestly claims knowledge of or skill in medicine or a peddler of false cures and *Rouker* - A person who whispers or murmurs or one who spreads tales or rumours.

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Index Performances and Market Data*

Equity and Bond Markets % (in Local Currency)	2012	2013	2014	2015	2016	2017 YTD (to 22/09)
MSCI AC World (Gross TR)	16.5	26.2	9.9	1.8	9.7	13.5
ISEQ Overall Return	20.5	35.8	16.8	33.6	-2.7	4.0
FTSE 100 TR	10.0	18.7	0.7	-1.3	19.1	5.6
Euro Stoxx 50 TR	18.1	21.5	4.0	6.4	3.7	10.0
S&P 500 TR	16.0	32.4	13.7	1.4	12.0	13.4
Nasdaq Composite	15.9	38.3	13.4	5.7	7.5	19.4
Nikkei 225	22.9	56.7	7.1	9.1	0.4	6.2
MSCI Emerging Markets	13.9	0.9	2.6	-8.0	7.1	22.7
Eurozone Government Bonds 1–5 yr	5.9	2.1	3.4	1.0	0.9	-0.1
Sovereign 10yr Bond Yields (%)	2012	2013	2014	2015	2016	2017 YTD
U.S.	1.7	3.0	2.2	2.2	2.4	2.2
German	1.4	1.9	0.5	0.6	0.2	0.4
UK	1.9	3.0	1.9	1.9	1.2	1.4
Japan	0.7	0.7	0.3	0.2	0.0	0.0
Ireland	4.5	3.4	1.3	1.1	0.7	0.8
Italy	4.6	4.1	2.1	1.6	1.8	2.1
Greece	12.7	8.2	9.6	7.9	7.1	5.6
Portugal	6.9	6.1	2.7	2.5	3.8	2.4
Spain	5.4	4.1	1.6	1.7	1.4	1.6
Central Bank Rates (%)	2012	2013	2014	2015	2016	2017 YTD
ECB	0.75	0.25	0.05	0.05	0.0	0.0
Bank of England	0.5	0.25	0.50	0.50	0.25	0.25
U.S. Federal Reserve	0.25	0.25	0.25	0.50	0.75	1.25
Foreign Exchange Rates	2012	2013	2014	2015	2016	2017 YTD
Euro/Dollar (€/\$)	1.31	1.37	1.21	1.09	1.04	1.19
Euro/Sterling (€/£)	0.81	0.83	0.78	0.75	0.84	0.88
Sterling/Dollar (£/\$)	1.61	1.65	1.56	1.46	1.24	1.35
IPD All Property Return % (in Local Currency)	2012	2013	2014	2015	2016	2017
Ireland	3.1	12.7	40.1	25.0	12.8	4.1% (to end of Q2)
U.K.	2.7	10.7	17.8	13.1	3.6	4.8% (to end of Q2)
U.S.	5.3	11.4	11.2	12.1	7.8	3.3% (to end of Q2)

*Past performance is not a reliable guide to future performance